RAJYA SABH

Tuesday, the 20th March, 1990/29th Jhalguna, 1911 (Saka)

The House met at eleven of the clock, **Mr. Chairman** in the Chair.

ORAL ANSWERS TO QUESTIONS

Allocation of Public Sector Funds to the Rural Sector

*101. PROF. CHANDRESH P. THAKUR:†

SHRI P. N. SUKUL:

Will the PRIME MINISTER be pleased to state:

(a) what is the percentage of allocation of public sector funds to the rural sector, including agriculture, at present;

(b) whether Government have decided to allocate 50 per cent of the public sector outlay to the rural sector in future;

(c) if so, what steps are being taken to implement that policy; and

(d) what amount of additional resources would be needed to implement that policy?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI I. K. GUJRAL): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) It is estimated at this stage, that about 41 per cent of the Public Sector Outlay in 1989-90 is on programmes which benefit the rural sector, including agriculture.

(b) It is proposed to allocate 50 per cent of public sector outlay in the Eighth Plan on programmes and projects of benefit to rural areas.

(c) The rural component of the Annual Plans would be monitored closely.

(d) The available resources will be distributed to achieve higher share for rural sector, including agriculture.

PROF. CHANDRESH P. THAKUR: Sir, it is highly disappointing to read the response of the Government. Ours is an economy which is primarily rural and would remain so far quite some time. It is true that the share of agriculture in the GNP is going down as a result of the development process. The dependence of the population and the labour force still remains very heavy on the rural and agricultural economy. Now, it is known that the terms of trade of agricultural economy. Now, it is getting more adverse as the documented studies have shown day in and day out. The Government has before the elections and after the elections promised all kinds of things that it is going to step up the investment in the rural sector to 50 per cent. Let me say enough is enough. This populism and deceit must end. Let us look at the answer. "41 per cent of the Public Sector Outlay in 1989-90 is on programmes which benefit the rural sector." and they are planning to have 50 per cent of the public sector. How do you claim these figures that it is today 41 per cent and that tomorrow it is going to be 50 per cent? It is all a jugglery that you are playing in identifying this investment of rural sector. Let us come out with a statement on the Table of the House. How do you define and allocate new investments or items of programmes for rural sector as of today and in what kind of an actual direction are you going to make it in order to give a credible message that really what you have promised in the election or after the

†The question was actually asked on the floor of the House by Prof. Chandresh P. Thakur.

election you are following through in actual action? My question is this: Is the Government at this stage clear what constitutes rural investment and what does not constitute and what the actual position was last year and what is going to be the net additional investment in the modified, clearly specified, modified investment programme?

SHRI I. K. GUJRAL: I am delighted to see that my honourable friend is realising that the past performance was very poor and and I agree with him. I would only like to draw your attention to what the honourable Finance Minister in his Budget Speech said yesterday and for your information let me read it out:

> "We are committed to ensuring that 50 per cent of the investible resources are deployed for the development of agriculture and rural development. We have made a beginning, in this year's Central Plan in which the share of the rural sector in budgetary support for the Central Plan will go up from 44 per cent in 1989-90 to 49 per cent in 1990-91. In addition, on the non-Plan side we are providing Rs. 1000 crores for debt relief, and Rs. 4000 crores for the fertilizer subsidy, which also go to benefit rural areas."

In addition, I might tell you that the State Plans are in the making and I can assure you that whatever we have promised in the election manifesto will be definitely implemented. This will be a refreshing change for my honourable friend.

PROF. CHANDRESH P. THAKUR: We will have to re-learn the definition of 'investment'. The Minister with all his wisdom has categorised Rs. 1000 crores of investment for debt relief investment for rural sector. Similarly, he says Rs. 4000 crores of subsidy for fertilizer subsidy. These constitute investment for rural development. Now, may I submit that rural economy needs to be supported through some infrastructure. And what we heard yesterday in the Budget is that total allocations in the infrastructure development in terms of power and others are the minimum. So would it not have been possible to convert this Rs. 1000 crores subsidy which is going primarily to help the kulak class, because it is going to the benefit of the people regardless of the size of holdings, which is primarily directed to help the kulak class which has supported this Government—would it not have been possible to convert this Rs. 1000 crores to the support for additional infrastructure investment which would have really provided relief to the starving rural population?

Mr. Chairman, part (b) of my question is this. Some rural economies are more depressed. Now, the previous Government also thought about that and they also thought about that. But what about the rain-fed agriculture and dry-land farming? How much more investment is going to be made on a mandatory basis on agricultural research and infrastructure support for purposes of augmenting productivity of agriculture and rural economy in rain-fed area and dry land farming area rather the green belt area?

Part (c) of the question is, we give a substantial amount of subsidy to farmers in the rural economy. Would the Government consider that in its reallocation of subsidy management it will set aside a definite amount, proportionately more than what it will give to the developed agricultural region, in favour of the under-developed and dry agricultural region?

SHRI I. K. GUJRAL: With great respect, my learned friend is a very learned professor. And I yield ground to him on the basis of academic knowledge which I cannot match. But I can only say this thing that he knows full well what constitutes rural sector, the directly identifiable rural outlays and the indirect ones.

Now, this may not be the occasion to enter into a debate because the Budget is going to be discussed and I would earnestly request him to reserve his remarks for that occasion. At this moment I can only assure him that we are going to live up to our commitments and both the direct and indirect incentives that are to be given for the upliftment of the rural areas will be adhered to.

PROF. CHANDRESH P. THAKUR: Sir, he has not responded. Would the subsidy administration be shifted more in favour of rain-fed and depressed agriculture?

SHRI I. K. GUJRAL: It was a suggestion. It was not a question. It is a suggestion whether I should use Rs. 1000 crores this side or that side.

MR. CHAIRMAN: He asked whether you are going to give weightage to that area. Are you going to give weightage to the arid area cultivator? That's all.

SHRI I. K. GUJRAL: I can only suggest at this stage: definitely yes.

SHRI P. N. SUKUL: Mr. Chairman, Sir, what I feel is that the new Government's commitments, rather the so-called commitment, to spend 50 per cent on the rural sector, are magnified a little unecessarily. From this statement, one gets the impression that about 41 per cent of the public sector outlay is on programmes which benefit the rural sector. Then it means that 9 per cent more investment has to be made to honour that commitment. But, Sir, is it not a fact that according to the detailed paper prepared by the Planning Commission in January last, the investment in the rural sector has to be stepped up by only 5 per cent to implement the National Front Government's decision to allocate 50 per cent of the public sector outlay in the rural sector? And if so, on what scheme and in what areas is the additional investment proposed to be made?

SHRI I. K. GUJRAL: Sir, the hon. Member will kindly agree that the investment he has referred to is the Private sector investment, which is 41 per cent. In addition to that, the State sector investment is also there, which is far more. The total has to be kept in mind when you are looking at the Plan as such. What has been said in the paper pertains to the public sector investment to be stepped up. We have made a commitment that 50 per cent of investible resources will be put in the rural sector.

SHRI A. G. KULKARNI: Yesterday we dealt with a Minister of a different character. But today we are dealing with a Minister who is not only an intellect but is also smart because he is replying on agriculture. I am really surprised. He says "at this stage 41 per cent of the public sector" and what he read from the Finance Minister's Speech was 44 per cent. There is a difference of 3 %. What is this difference. Of course, it is a very minor matter. But the thrust of my question is on the basic. When he says it is being spent on the rural sector and he takes credit that the previous Government was only spending about 41 per cent, if I remember correct, the public sector funds in the previous Government also were around 49 per cent if the spending of different fundings is taken into consideration like whatever rural operations there were. So when they say they are going up to 50 per cent, I want to know: Does it include irrigation? Does it include various 'rojgar yojanas, the new employment guarantee scheme for drought prone areas and the direct funding into the rural areas? The malady in this country is the purchasing power of the rural man is fast dwindling. And for that purpose I would be happy if the Minister explains a little bit better because it is all right for one to talk loftily of the ideal of waiving loans like the Haryana Government. You have committed Rs. 14,000 crores by providing only Rs. 1,000 crores. Then

how are you going to achieve your ideal? Does it mean that you are trying to get away from your commitment? Or do you have a plan, does the Government or the Prime Minister have a plan, of trying to weaken or diffuse the commitment of Rs. 14,000 crores. I don't see it can be Rs. 14,000 crores because there are defaulters, etc. That should be understood. But with Rs. 1,000 crores how do you think you can waive loans of Rs. 14,000 crores? It is either a gimmick or some kind of a jugglery of figures.

SHRI I. K. GUJRAL: The main issue is this. Debt relief is not part of this question. All the same I will reply. In the Budget Speech, if my honourable friend has read it with care which he normally does, he would have seen that he has defined the artisans, the poor agriculturists, and all those areas, where relief is going to be given. And I can assure you one thing. Whether it is Rs. 1000 crores or more, the point is the commitment will be met. Budgetary provision has been made and when the Budget Discussion comes...

SHRI A. G. KULKARNI: How?

SHRI I. K. GUJRAL: ... you can ask Mr. Madhu Dandavate how he is going to do it. But I can assue you on behalf of the Government that the election commitment made for debt relief will be fully met. That I can assure you.

SHRI A. G. KULKARNI: How can one be satisfied if he is replying on behalf of the Prime Minister? I do not want to ask Mr. Madhu Dandavate. I am asking you on behalf of the Prime Minister. What is your plan?

SHRI I. K. GUJRAL: On behalf of the Prime Minister I can assure you that all the election manifesto commitments will be fully met.

SHRI A. G. KULKARNI: Unless it is a jugglery, it is not possible.

SHRI E. BALANANDAN: The honourable Minister has said in reply to (b) "It is proposed to allocate 50 per cent of public sector outlay in the Eighth Plan on programmes and projects of benefit to rural areas."

"(c) Rural component of the Annual Plans would be monitored closely;

(d) The available resources will be distributed to achieve higher share for rural sector, including agriculture."

Sir, these are all welcome things. At the same time, may I tell the hon. Minister that the rural sector is a sector wherein big landlords and land-owners are there? The benefits downward have to be directed to the rural sector. Unless serious land reforms are undertaken, these benefits will not reach the poorer sections there. I know the Central Government has taken certain steps, but the State Governments should be advised by the Centre to take immediate steps together with this for land reform implementation. Will the Government give some directions to the State Governments in this regard?

SHRI I. K. GUJRAL: Sir, I agree with the suggestion made by my hon. friend, and he is right that one of the failings in the past has been the sort of way we have dealt with land reforms. I agree, it needs far more credible attention.

SHRI S. B. CHAVAN: Sir, the question that I would like to put to the hon. Minister will be that he has pointed out that hereafter greater attention is going to be paid to dry land agriculture, and he has immediately conceded the point that this will definitely get the priority. According to the information which very briskly I could go through some of the documents which were given yesterday with the Budget papers, I don't think the kind of emphasis that the hon. Minister has laid on the dry land agriculture is there, and I don't

think there is any additional provision made in the Budget for 1990-91. If I am mistaken, certainly I would like to be corrected. But I would like to have the information as to what is the basis on which the hon. Minister is saying that hereafter they propose to give greater attention to dry land agriculture.

SHRI I. K. GUJRAL: Sir, for dry land agriculture, I will need notice because I am not able to tell. I did not say dry land agriculture, I said agriculture. I only drew your attention. But I will come back to it, and I need notice for it.

SHRI MODHAVSINH SOLANKI: Sir, will the hon. Minister specify as to which are the new items of public sector investment in the rural sector which were not taken up by the previous Government?

SHRI I. K. GUJRAL: About the items, Sir, the hon. Member himself has been in charge of that portfolio and he knows full well the deficiencies that were there. And we are trying to correct it. (*Interruptions*).

SHRI VITHALRAO MADHAVRAO JADHAV: Sir, it is not the reply.

MR. CHAIRMAN: It is not the new between you two. The House wants to know.

SHRI I. K. GUJRAL: If the House wants to know, Sir, I can only say that it is not the new items that we are going to add. It is the emphasis that we are going to add.

SHRI A. G. KULKARNI: He is oversmart now.

MR. CHAIRMAN: Shri Chaturanan Mishra.

श्री चतुरानन मिश्र : सभापति जी, मैं सरकार से यह जानना चाहता हूं कि क्या आधार है जिससे हम समझते हैं कि यह पूंजी ग्रामीण क्षेत्र के लिए दे रहे हैं या शहरी क्षेत्र के लिए दे रहे हैं ? जैसे मान लीजिए कि कोई पावर हाउस बनता है तो ग्राम के लिए भी बिजली देते हैं और शहर के लिए भी देते हैं। ऐसी स्थिति में वह क्राइटेरिया क्या है जिससे सरकार समझती है कि यह पूंजी ग्रामीण क्षेत्र के लिए ही है क्योंकि कोई ऐसी रोड नहीं है जो केवल ग्रामीण क्षेत्र में ही जाये और शहर में न जाए ? सरकार ने क्या कोई आधार या क्राइटेरिया तय किया है और अगर किया है तो वह क्या है ? दूसरी बात मैं यह जानना चाहता हूं कि जो पूंजी ग्रामीण क्षेत्र में जाती है उसका कौन सा हिस्सा बिलो पावर्टी लाइन आफ पीपुल के लिए जाता है या क्या सरकार ने कोई ऐसा आधार निश्चित किया है जिससे बिलो पावर्टी लाइन के लोग बेनिफिटेड हों या सिर्फ एन्टी पावर्टी स्कीम्स ही उनके लिए रखी हैं ? इसलिए पब्लिक सेक्टर और गवर्नमेंट को अपना फण्ड, इन दोनों एलोकेशन्स का भाग स्पष्ट नहीं हुआ है। क्या आपने कोई क्राइटेरिया स्पष्ट किया है ? मैं चाहता हूं कि मंत्री महोदय इन बातों का स्पष्टीकरण दें।

श्री इन्द्र कुमार गुजराल : सभापति जी, दो तरह के एलोकेशन्स होते हैं। एक तो डाइरेक्टली आइडेंटिफाइबल स्पेस आउटले एलोकेशन बेनिफिट के हिसाब से और दूसरा इनडाइरेक्टली। जैसे सड़कें बनाना हो गया या बिजली घर लगाना हो गया तो इसे क्वांटिफाई करना पड़ेगा कि कितनी बिजली गांवों में जा रही है, कितनी शहरों में जा रही है, इसके हिसाब से एलोकेशन होगा। जो डाइरेक्ट बेनिफिट वाले हैं, जैसे मोटर एजुकेशन है, जैसे मेडिकल हेल्थ केयर है, फेमिली वेलफेयर या हाउसिंग है या डेवलपमेंट और डाइरेक्ट प्राबलम है वे तो आइडेंटिफाइबल हैं। लेकिन जो एक्सरसाइज हर एनुअल प्लान में करनी पड़ेगी वह यह है कि कौन डाइरेक्ट बेनीफिट वाले है और कौन इनडाइरेक्ट वाले हैं, उसके लिए क्राइटेरिया निर्धारित करना पड़ेगा और उस क्राइटेरिया के हिसाब से टोटल समझ लाना पड़ेगा।